

ORIGINAL

OPEN MEETING AGENDA ITEM



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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

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AZ CORP COMMISSION  
DOCKET CONTROL

GARY PIERCE – Chairman  
BOB STUMP  
SANDRA D. KENNEDY  
PAUL NEWMAN  
BRENDA BURNS

2012 APR 2 PM 1 53

IN THE MATTER OF:

DOCKET NO. S-20812A-11-0281

TERRY L. SAMUELS and ELISABETH  
SAMUELS, husband and wife;

JAMES F. CURCIO and JILL L. CURCIO,  
husband and wife;

3-CG, LLC, an Arizona limited liability  
company;

CHOICE PROPERTY GROUP, LLC,  
an Arizona limited liability company;

AZIN INVESTOR GROUP, LLC,  
an Arizona limited liability company;

AZIN INVESTOR GROUP II, LLC,  
an Arizona limited liability company;

AZIN INVESTOR GROUP III, LLC,  
an Arizona limited liability company;

AZIN INVESTOR GROUP IV, LLC,  
an Arizona limited liability company;

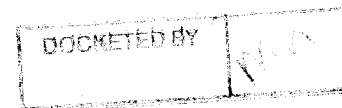
COMBINED HOLDINGS IV, LLC,  
an Arizona limited liability company; and

COMBINED HOLDINGS V, LLC,  
an Arizona limited liability company,

RESPONDENTS.

Arizona Corporation Commission  
**DOCKETED**

APR - 2 2012



**SIXTH**  
**PROCEDURAL ORDER**  
**(Vacates Hearing)**

BY THE COMMISSION:

On July 18, 2011, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing ("Notice") against the following individuals and entities: Terry L. Samuels and Elisabeth Samuels, husband and wife; James F. Curcio and Jill L. Curcio, husband and wife; 3-CG, LLC, an Arizona limited liability

1 company ("3-CG"); Choice Property Group, LLC, an Arizona limited liability company ("CPG");  
2 AZIN Investor Group, LLC, an Arizona limited liability company ("AZING"); AZIN Investor  
3 Group II, LLC, an Arizona limited liability company ("AZING II"); AZIN Investor Group III, LLC,  
4 an Arizona limited liability company ("AZING III"); AZIN Investor Group IV, LLC, an Arizona  
5 limited liability company ("AZING IV"); Combined Holdings IV, LLC, an Arizona limited liability  
6 company ("CH IV"); and Combined Holdings V, LLC, an Arizona limited liability company ("CH  
7 V") (collectively "Respondents") in which the Division alleged multiple violations of the Arizona  
8 Securities Act ("Act") in connection with the offer and sale of securities in the form of notes and  
9 investment contracts. The spouses ("Respondent Spouses") of Respondents Terry Samuels and  
10 James Curcio were joined in the action pursuant to A.R.S. § 44-2031(C) solely for the purpose of  
11 determining the liability of their respective marital communities.

12 The Respondents were duly served with copies of the Notice.

13 On August 2, 2011, signed requests for hearing were filed by Terry and Elisabeth Samuels,  
14 and Terry Samuels on behalf of 3-CG, CPG, CH IV and CH V. A request for hearing was also filed  
15 by James and Jill Curcio; however, only Mr. Curcio signed this request. There were no requests for  
16 hearing filed for AZING, AZING II, AZING III or AZING IV.

17 On August 4, 2011, by Procedural Order, a pre-hearing conference was scheduled on August  
18 23, 2011.

19 On August 10, 2011, an amended request for hearing was filed by the Curcios. This request  
20 was signed by both James and Jill Curcio. Mr. Curcio also signed this request on behalf of AZING,  
21 AZING II, AZING III, and AZING IV as their manager and as the co-manager of CH IV and CH V.

22 On August 17, 2011, by Procedural Order, all of the Respondents were apprised of the pre-  
23 hearing conference as previously ordered by the Commission.

24 On August 23, 2011, at the pre-hearing conference, the Division appeared with counsel, an  
25 attorney appeared on behalf of Mr. and Mrs. Samuels and Mr. Curcio appeared on his own behalf.  
26 Mr. Curcio was advised that, pursuant to Rules of the Arizona Supreme Court, Rule 31, he cannot  
27 represent his spouse in the proceeding. However, since she has signed a request for hearing she may  
28 appear on her own behalf.

1 The Division and Respondents are discussing a possible resolution of the proceeding, but  
2 additional time will be required to conclude any possible Consent Orders which will require the  
3 Commission's approval.

4 On August 24, 2011, by Procedural Order, a status conference was scheduled on October 27,  
5 2011.

6 On October 25, 2011, due to a scheduling conflict, it became necessary to continue the status  
7 conference to November 17, 2011.

8 On November 17, 2011, at the status conference, the Division and the Samuels Respondents  
9 appeared with counsel. Mr. Curcio appeared on his own behalf and Mrs. Curcio did not appear  
10 although Mr. Curcio indicated she was aware of the proceeding. While the parties continued to  
11 discuss settlement, the Division requested that a hearing be scheduled in the interim.

12 On November 21, 2011, by Procedural Order, a hearing was scheduled on April 30, 2012.

13 On February 2, 2012, the Commission issued Decision No. 72803, a Consent Order with  
14 respect to the Samuels Respondents, 3-CG, and CPG.

15 On March 29, 2012, the Division filed a Motion to Continue the hearing with respect to the  
16 Curcio Respondents and the remaining business entities that were also named as Respondents  
17 because a proposed Consent Order will be submitted to the Commission for its approval at its  
18 April 12, 2012, Open Meeting.

19 Accordingly, the Division's request is reasonable and should be granted.

20 IT IS THEREFORE ORDERED that the **hearing scheduled on April 30, 2012, is hereby**  
21 **vacated.**

22 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113-Unauthorized  
23 Communications) applies to this proceeding as the matter is now set for public hearing.

24 IT IS FURTHER ORDERED that withdrawal or representation must be made in compliance  
25 with A.A.C. R14-3-104(E) and Rule 1.16 of the Rules of Professional Conduct (under Rule 42 of the  
26 Rules of the Arizona Supreme Court). Representation before the Commission includes appearances  
27 at all hearings and procedural conferences, as well as all Open Meetings for which the matter is  
28 scheduled for discussion, unless counsel has previously been granted permission to withdraw by the

Administrative Law Judge or the Commission.

IT IS FURTHER ORDERED that all parties must comply with Rules 31 and 38 of the Rules of the Arizona Supreme Court and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.

IT IS FURTHER ORDERED that the Presiding Officer may rescind, alter, amend, or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at hearing.

DATED this 2<sup>nd</sup> day of April, 2012.

  
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MARC E. STERN  
ADMINISTRATIVE LAW JUDGE

Copies of the foregoing mailed/delivered this 2<sup>nd</sup> day of April, 2012 to:


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By:   
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Debra Broyles  
Secretary to Marc E. Stern